

1 the District of Columbia Circuit. This case is scheduled for oral argument on May 5,
2 2003 and a decision is anticipated during the summer of 2003.

3
4 **Q10. HOW DOES SBC RECOMMEND THAT THE *WISCONSIN ORDER* BE**
5 **IMPLEMENTED BY THE MICHIGAN PUBLIC SERVICE COMMISSION?**

6 A10. SBC recommends that the Commission maintain its current, long-standing policy that
7 payphone services should be priced in accordance with generally applicable rates for
8 business lines and local usage. Some parties will undoubtedly argue that the FCC's
9 *Wisconsin Order* should be read to conflict with that policy. SBC does not believe that
10 the *Wisconsin Order* compels the Commission to abandon its established pricing policy
11 for these services, for reasons that I will discuss below. However, if the Commission
12 believes that there may be any conflict between its own policy and the *Wisconsin Order*,
13 it should defer entering a final order in this proceeding until the federal appeal of the
14 *Wisconsin Order* has been decided.

15
16 **Q11. WHAT GUIDANCE DID THE FCC PROVIDE TO STATE COMMISSIONS FOR**
17 **USE IN EVALUATING OVERHEAD LOADINGS FOR INTRASTATE**
18 **PAYPHONE LINE RATES?**

19 A11. The FCC adopted a flexible approach, rather than requiring that a single method be
20 applied to evaluate overhead loadings for intrastate payphone line rates. Specifically, the
21 FCC stated in Paragraph 58 of the *Wisconsin Order*:

22 In sum, we establish a flexible approach to calculating BOCs' overhead
23 allocation for intrastate payphone line rates. States may continue to use UNE
24 loading factors to evaluate BOCs' overhead allocation for payphone services,
25 but we do not require that UNE overhead allocations must serve as a ceiling
26 on payphone service overhead loading. To evaluate such a ceiling, states

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of)	
)	
Implementation of the Pay Telephone)	
Reclassification and Compensation Provisions)	
Of the Telecommunications Act of 1996)	
)	CC Docket No. 96-128
The Michigan Pay Telephone Association's)	
Petition for Declaratory Ruling Regarding)	
The Prices Charged by AT&T Michigan)	
for Network Access Services)	
Made Available to Payphone Providers in)	
Michigan.)	

**TAB 6 ATTACHED TO THE
MICHIGAN PAY TELEPHONE ASSOCIATION'S
SECOND PETITION FOR DECLARATORY RULING**

PUBLIC VERSION

Uniform Payphone Overhead Loadings
Using Physical Collocation Order Method
Michigan

1998

- 1 Revenues
- 2 TSLRIC
- 3 Overhead Loadings

- 4 Overhead Loadings as % of TSLRIC

SBC Midwest Payphone -- Michigan Operations
Cost Summary
1998

Ln	Description	Source	Amount
1	PubComm Costs, Non-Telephone Set Related		
2	PubComm Costs, Telephone Set Related		
3	Telco Costs		
4	Subtotal		
5	Single Business Tax Factor on Revenues		
6	Single Business Tax Factor on Costs		
7	Single Business Taxes		
8	TSLRIC		
9	Shared Cost Factor		
10	TSLRIC + Shared Costs		

SBC Midwest Payphone -- Michigan Operations
Revenue Summary
1998

Ln	Description	Source	Amount
1	Sent Paid		
2	ABS (excl. Gateway)		
3	Gateway		
4	Per Call		
5	Long Distance		
6	Convenience Line		
7	DA		
8	Other		
9	Total		

SBC Michigan Operations **Telco TSLRICs**

1998

Ln	Description	Quantity (A)	Quantity Source	TSLRIC (B)	TSLRIC Source	Cost	Source
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Annual Nonrecurring Activities:

- 1 Move or Change
- 2 Telephone Number Change
- 3 Repair Visits
- 4 Line Connection
- 5 PIC Charge
- 6 Nonrecurring Total

Annual Recurring Activities:

- 7 IPP Coin Line, Access Area A
- 8 IPP Coin Line, Access Area B
- 9 IPP Coin Line, Access Area C
- 10 COCOT Line, Access Area A
- 11 COCOT Line, Access Area B
- 12 COCOT Line, Access Area C
- 13 Local Message
- 14 Toll Messages
- 15 Billing Services
- 16 Call Detail Service
- 17 Recurring Total
- 18 TOTAL

SBC Michigan Operations **Annualized PubComm In-Service Lines**

1998

Ln	Description	Source	Amount
1	PubComm Sets that are used with Smart Lines		
2	PubComm Sets that are used with Dumb Lines		
3	Percentage of IPP Coin (Smart) Lines in Access Area A		
4	Percentage of IPP Coin (Smart) Lines in Access Area B		
5	Percentage of IPP Coin (Smart) Lines in Access Area C		
6	Percentage of COCOT (Dumb) Lines, Access Area A		
7	Percentage of COCOT (Dumb) Lines, Access Area B		
8	Percentage of COCOT (Dumb) Lines, Access Area C		
9	IPP Coin (Smart) Lines, Access Area A		
10	IPP Coin (Smart) Lines, Access Area B		
11	IPP Coin (Smart) Lines, Access Area C		
12	COCOT (Dumb) Lines, Access Area A		
13	COCOT (Dumb) Lines, Access Area B		
14	COCOT (Dumb) Lines, Access Area C		

SBC Michigan Operations
PubComm TSLRICs

Telephone Set Related
1998

Ln	Description	Source	Amount
1	Booth Factor		
2	Set Quantity		
3	In-Services Lines		
4	Quantity Adjustment Factor		
	Millennium - Airport Sets (188C)		
5	Unit Investment		
6	Quantity		
7	Adjusted Quantity		
8	Investment		
	"D" Sets (188C)		
9	Unit Investment		
10	Quantity		
11	Adjusted Quantity		
12	Investment		
	"F" Sets (188C)		
13	Unit Investment		
14	Quantity		
15	Adjusted Quantity		
16	Investment		
	11B - Coinless Sets (288C)		
17	Unit Investment		
18	Quantity		
19	Adjusted Quantity		
20	Investment		
	Seal-up Sets (288C)		
21	Unit Investment		
22	Quantity		
23	Adjusted Quantity		
24	Investment		
25	Gateway Investment (288C)		
26	Total Dumb Sets (uses smart line)		
27	Total Smart Sets (uses dumb line)		
26	Total 188C Investment		
28	Annual Charge Factor (188C)		
29	Total 288C Investment		
30	Annual Charge Factor (288C)		
31	PubComm Set TSLRIC		

SBC Michigan Operations
PubComm TSLRICs

Non-Telephone Set Related
1998

Ln	MA	Description	Source	Amount
1	6362	Other Term Equip		
2	6512	Provisioning		
3	6534	Plant Operations Admin		
4	6540	Access		
5	6611	Product Management		
6	6612	Sales		
7	6613	Advertising		
8	6621	Call Completion		
9	6622	Number Services		
10	6623	Customer Services		
10		Total		

SBC Michigan Operations **Telco Units Other Than Lines**

1998

Ln	Description	Source	Amount
Annual Nonrecurring Activities:			
1	Access Line NRC		
2	Move or Change		
3	Telephone Number Change		
4	Repair Visits		
5	Line Connection		
6	PIC Charge		
Annual Recurring Activities:			
7	Sent Paid Messages		
8	Per Call Compensation (PCC) Revenue		
9	PCC Rate		
10	PCC Messages		
11	"Local" Messages		
12	IntraLATA Toll Revenues (thousands)		
13	IntraLATA Toll Calls (thousands)		
14	Average Toll Revenue per Call		
15	Station-to-Station Call, Collect Surcharge		
16	ABS Commission Rate		
17	PubComm Toll Only Revenue		
18	PubComm Toll Only Messages		
19	ABS Revenues		
20	ABS Messages		
21	Toll Messages		
22	Billing Services		
23	Call Detail Service		

Units

02/10/2003

Michigan ACFs

ECONS ANNUAL CHARGE FACTORS (ACF) - MICHIGAN - Regulatory Overlay

<u>FRC</u>	<u>FRC Description</u>	<u>RUN TYPE</u>	<u>ACF</u>	<u>ACF</u>	<u>ECONS .ERP Files</u>	<u>ECONS .ITM Files</u>
1C	Poles					
4C	Conduit					
5C	UG Cable - Met					
10C	Buildings					
12C	Intra-bldg Cable - Met					
22C	Aerial Cable - Met					
45C	Buried Cable - Met					
85C	UG Cable - NonMet					
117C	Operator Systems					
117C	Operator Systems					
188C	Public Tel. Equip.- Coin					
288C	Public Tel. Equip - Coinless					
257C	Subscriber Pair Gain					
257C	Subscriber Pair Gain					
357C	Digital Circuit					
357C	Digital Circuit					
361C	Gen Purpose Comp.					
377C	Digital Switch - STP					
377C	Digital Switch - STP					
377C	Digital Switch - Lucent					
377C	Digital Switch - Nortel					
377C	Digital Switch - Siemens					
577C	Packet Switch Network					
577C	Packet Switch Network					
812C	IntraBldg. Cable - NonMet					
822C	Aerial Cable - NonMet					
845C	Buried Cable - NonMet					
377C EFI:	Digital Switch - Lucent					
	Digital Switch - Nortel					
	Digital Switch - Siemens					
	Digital Switch - STP					

NOTE:

SOURCE:

WAN FILE LOCATION:

DATE:

ACF

02/10/2003